



**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS  
AUDIT EXAMINATION OF THE  
ROBERTSON COUNTY  
SHERIFF'S SETTLEMENT - 1999 TAXES**

**April 1, 2000**

**EDWARD B. HATCHETT, JR.  
AUDITOR OF PUBLIC ACCOUNTS  
WWW.KYAUDITOR.NET**

**144 CAPITOL ANNEX  
FRANKFORT, KY 40601  
TELE. (502) 564-5841  
FAX (502) 564-2912**



**EXECUTIVE SUMMARY**  
**ROBERTSON COUNTY**  
**RANDY INSKO, SHERIFF**  
**SHERIFF'S SETTLEMENT - 1999 TAXES**  
**APRIL 1, 2000**

On August 8, 2000, fieldwork was completed on the Robertson County Sheriff's Settlement - 1999 Taxes as of April 1, 2000. An unqualified opinion was rendered on the financial statement. The Sheriff's audited financial statement indicates minor amounts of taxes due districts.

One finding regarding a \$455 deficit in the Sheriff's 1999 tax account was noted. The Sheriff subsequently deposited personal monies in order to satisfy the unpaid obligations.

**Deposits:**

The Sheriff's deposits were fully collateralized and insured as of April 1, 2000 and throughout the tax year. The Sheriff had a written agreement with the depository institution.



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Edward B. Hatchett, Jr.  
Auditor of Public Accounts

To the People of Kentucky

Honorable Paul E. Patton, Governor  
John P. McCarty, Secretary  
Finance and Administration Cabinet  
Mike Haydon, Secretary, Revenue Cabinet  
Honorable Bradley Gifford, Robertson County Judge/Executive  
Honorable Randy Insko, Robertson County Sheriff  
Members of the Robertson County Fiscal Court

Independent Auditor's Report

We have audited the Robertson County Sheriff's Settlement - 1999 Taxes as of April 1, 2000. This tax settlement is the responsibility of the Robertson County Sheriff. Our responsibility is to express an opinion on the financial statement based on our audit.

We conducted our audit in accordance with generally accepted Government Auditing Standards and the Audit Guide for Sheriff's Tax Settlements issued by the Auditor of Public Accounts, Commonwealth of Kentucky. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The Sheriff prepares his financial statement on a prescribed basis of accounting that demonstrates compliance with the cash basis and laws of Kentucky, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the Robertson County Sheriff's taxes charged, credited, and paid as of April 1, 2000, in conformity with the basis of accounting described in the preceding paragraph.

Our audit was made for the purpose of forming an opinion on the financial statement taken as a whole. The schedule listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statement. Such information has been subjected to auditing procedures applied in the audit of the financial statement and, in our opinion, is fairly presented in all material respects in relation to the financial statement taken as a whole.

To the People of Kentucky  
Honorable Paul E. Patton, Governor  
John P. McCarty, Secretary  
Finance and Administration Cabinet  
Mike Haydon, Secretary, Revenue Cabinet  
Honorable Bradley Gifford, Robertson County Judge/Executive  
Honorable Randy Insko, Robertson County Sheriff  
Members of the Robertson County Fiscal Court

Based on the results of our audit, we present the accompanying comment and recommendation, included herein, which discusses the following area of noncompliance.

- The Sheriff Should Eliminate \$455 Deficit In Tax Account

In accordance with Government Auditing Standards, we have also issued a report dated August 8, 2000, on our consideration of the Sheriff's compliance with certain laws and regulations and internal control over financial reporting.

Respectfully submitted,

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Edward B. Hatchett, Jr.  
Auditor of Public Accounts

Audit fieldwork completed -  
August 8, 2000



ROBERTSON COUNTY  
RANDY INSKO, SHERIFF  
SHERIFF'S SETTLEMENT - 1999 TAXES

April 1, 2000

<u>Charges</u>	<u>County Taxes</u>	<u>Special Taxing Districts</u>	<u>School Taxes</u>	<u>State Taxes</u>
Real Estate	\$ 46,596	\$ 60,875	\$ 155,194	\$ 55,614
Tangible Personal Property	1,089	1,521	3,821	2,497
Intangible Personal Property				1,563
Franchise Corporation	7,821	10,694	27,014	
Bank Franchise	6,606			
Penalties	449	587	1,495	538
Adjusted to Sheriff's Receipt		1	1	
Gross Chargeable to Sheriff	<u>\$ 62,561</u>	<u>\$ 73,678</u>	<u>\$ 187,525</u>	<u>\$ 60,212</u>
<u>Credits</u>				
Discounts	\$ 694	\$ 736	\$ 1,874	\$ 722
Exonerations	237	310	789	283
Delinquents:				
Real Estate	<u>712</u>	<u>930</u>	<u>2,371</u>	<u>849</u>
Total Credits	<u>\$ 1,643</u>	<u>\$ 1,976</u>	<u>\$ 5,034</u>	<u>\$ 1,854</u>
Net Tax Yield	\$ 60,918	\$ 71,702	\$ 182,491	\$ 58,358
Less: Commissions *	<u>3,164</u>	<u>3,047</u>	<u>7,300</u>	<u>3,055</u>
Net Taxes Due	\$ 57,754	\$ 68,655	\$ 175,191	\$ 55,303
Taxes Paid	<u>57,753</u>	<u>68,652</u>	<u>174,794</u>	<u>55,302</u>
Due Districts		**		
as of Completion of Fieldwork	<u>\$ 1</u>	<u>\$ 3</u>	<u>\$ 397</u>	<u>\$ 1</u>
* Commissions:				
10% on \$ 20,000				
4.25% on \$ 170,978				
4% on \$ 182,491				
** Special Taxing Districts:				
Library District	\$ 1			
Extension District	<u>2</u>			
Due Districts	<u>\$ 3</u>			

The accompanying notes are an integral part of the financial statement.

ROBERTSON COUNTY  
NOTES TO FINANCIAL STATEMENT

April 1, 2000

Note 1. Summary of Significant Accounting Policies

A. Fund Accounting

The Sheriff's office tax collection duties are limited to acting as an agent for assessed property owners and taxing districts. A fund is used to account for the collection and distribution of taxes. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

B. Basis of Accounting

The financial statement has been prepared on a cash basis of accounting. Basis of accounting refers to when charges, credits, and taxes paid are reported in the settlement statement. It relates to the timing of measurements regardless of the measurement focus.

Charges are sources of revenue which are recognized in the tax period in which they become available and measurable. Credits are reductions of revenue which are recognized when there is proper authorization. Taxes paid are uses of revenue which are recognized when distributions are made to the taxing districts and others.

C. Cash and Investments

At the direction of the fiscal court, KRS 66.480 authorizes the Sheriff's office to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

Note 2. Deposits

The Sheriff maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). According to KRS 66.480(1)(d) and KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the Sheriff and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution. These requirements were met, and as of April 1, 2000, the Sheriff's deposits were fully insured or collateralized at a 100% level with collateral of either pledged securities held by the Sheriff's agent in the Sheriff's name, or provided surety bond which named the Sheriff as beneficiary/obligee on the bond.

ROBERTSON COUNTY  
NOTES TO FINANCIAL STATEMENT  
April 1, 2000  
(Continued)

Note 3. Property Taxes

The real and personal property tax assessments were levied as of January 1, 1999. Property taxes were billed to finance governmental services for the year ended June 30, 2000. Liens are effective when the tax bills become delinquent. The collection period for these assessments was September 27, 1999 through April 1, 2000.

ROBERTSON COUNTY  
RANDY INSKO, SHERIFF  
SCHEDULE OF EXCESS OF LIABILITIES OVER ASSETS

April 1, 2000

Assets

Cash in Bank (All Tax Accounts)	\$ 3,198
Deposits in Transit	4,024
Receivables:	
Franchise Taxes	411
Fee Account - Overpayment of School Commissions	<u>790</u>
Total Assets	<u>\$ 8,423</u>

Liabilities

Paid Obligations-		
Outstanding Checks	\$ 246	
Other Taxing Districts-		
State District	1,188	
County District	1,000	
School District	3,486	
Library District	399	
Health District	322	
Extension District	492	
Soil Conservation District	96	
Refunds Due Taxpayers	192	
Tax Commissions and Fees Due Sheriff's Fee Account	<u>225</u>	
Total Paid Obligations		\$ 7,646
Unpaid Obligations-		
Other Taxing Districts-		
State District	\$ 1	
County District	1	
School District	397	
Library District	1	
Extension District	2	
Tax Commissions Due School	790	
Tax Commissions Due Fee Account	<u>40</u>	
Total Unpaid Obligations		<u>\$ 1,232</u>
Total Liabilities		<u>\$ 8,878</u>
Total Fund Deficit as of April 1, 2000		<u><u>\$ (455)</u></u>

COMMENT AND RECOMMENDATION



ROBERTSON COUNTY  
RANDY INSKO, SHERIFF  
COMMENT AND RECOMMENDATION

As of April 1, 2000

STATE LAWS AND REGULATIONS:

The Sheriff Should Eliminate \$455 Deficit In Tax Account

On April 1, 2000, the Sheriff had a \$455 deficit in his tax account. We recommend the Sheriff deposit personal funds of \$455 in order to satisfy the unpaid obligations of the 1999 tax account.

*Sheriff's Response:*

*I will deposit \$455 of personal monies to satisfy unpaid obligations.*

Subsequent Event:

On September 6, 2000, the Sheriff deposited \$455 of personal funds into his tax account and eliminated the deficit.

PRIOR YEAR:

The Sheriff Should Eliminate \$3,174 Deficit In Tax Account

On February 10, 1999, a check was written to Robertson County Fiscal Court in the amount of \$3,182. This check was never received by the fiscal court and there was not sufficient funds in the Sheriff's tax account to cover this payment. A deficit of \$3,174 existed at year-end. We recommended that the Sheriff deposit personal funds of \$3,174 and pay fiscal court the amount due from January tax collections.

*Sheriff's Response:*

*Sheriff deposited personal funds on November 22, 1999 in the amount of \$3,182 and paid the County for amount due for January tax collections of \$3,182.*

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REPORT ON COMPLIANCE  
AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF THE FINANCIAL STATEMENT  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS





Edward B. Hatchett, Jr.  
Auditor of Public Accounts

Honorable Bradley Gifford, Robertson County Judge/Executive  
Honorable Randy Insko, Robertson County Sheriff  
Members of the Robertson County Fiscal Court

Report On Compliance And On Internal Control  
Over Financial Reporting Based On An Audit Of The Financial  
Statement Performed In Accordance With Government Auditing Standards

We have audited the Robertson County Sheriff's Settlement - 1999 Taxes as of April 1, 2000, and have issued our report thereon dated August 8, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Robertson County Sheriff's Settlement - 1999 Taxes as of April 1, 2000, is free of material misstatement, we performed tests of its compliance with certain provisions of laws and regulations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under Government Auditing Standards which is described in the accompanying Comment and Recommendation.

- The Sheriff Should Eliminate \$455 Deficit In Tax Account

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Robertson County Sheriff's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statement being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be a material weakness.

Honorable Bradley Gifford, Robertson County Judge/Executive  
Honorable Randy Insko, Robertson County Sheriff  
Members of the Robertson County Fiscal Court  
Report On Compliance And On Internal Control  
Over Financial Reporting Based On An Audit Of The Financial  
Statement Performed In Accordance With Government Auditing Standards  
(Continued)

This report is intended solely for the information and use of management and is not intended to be and should not be used by anyone other than the specified party. However, this report, upon release by the Auditor of Public Accounts, is a matter of public record and its distribution is not limited.

Respectfully submitted,

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Edward B. Hatchett, Jr.  
Auditor of Public Accounts

Audit fieldwork completed -  
August 8, 2000

